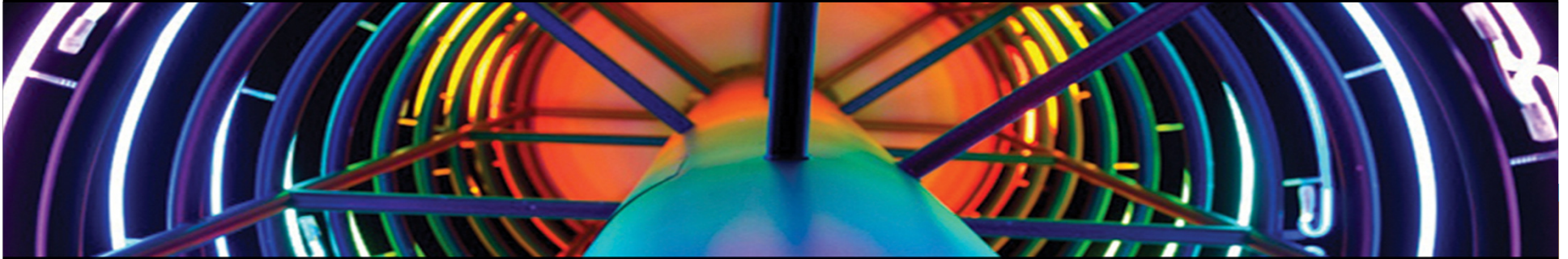




EnergyManagement
Association of New Zealand

Ewan Gebbie
EMANZ Executive Officer

Energy Performance Contracting



Presentation Outline

1. Who are we?
2. What is Energy Performance Contracting, and why is it relevant to street lighting?
3. How can we help you get into it?

Who is EMANZ?



Aim: To promote the highest standards of Energy Management skills and competence ... into all sectors of the New Zealand economy.

Why am I here?

- > EMANZ has compiled a group of experts to establish EPC's as normal business practice in NZ
- > Street lighting fits well within the scope of EPC's:
 - > Large capital outlay
 - > Major energy savings opportunity

Who is involved?



TRANSPOWER

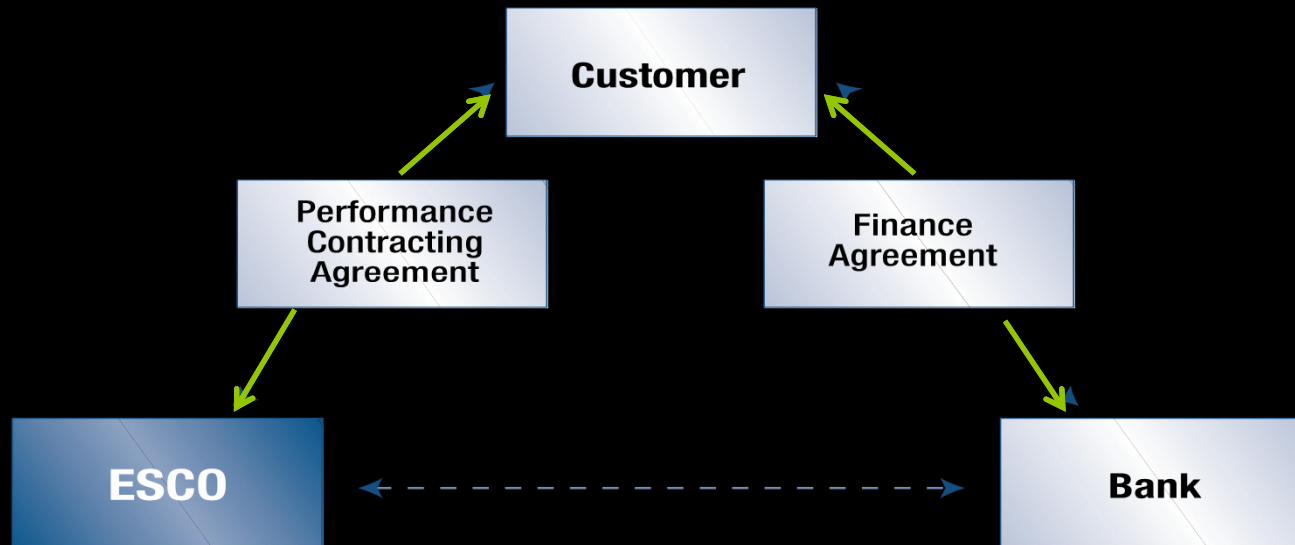


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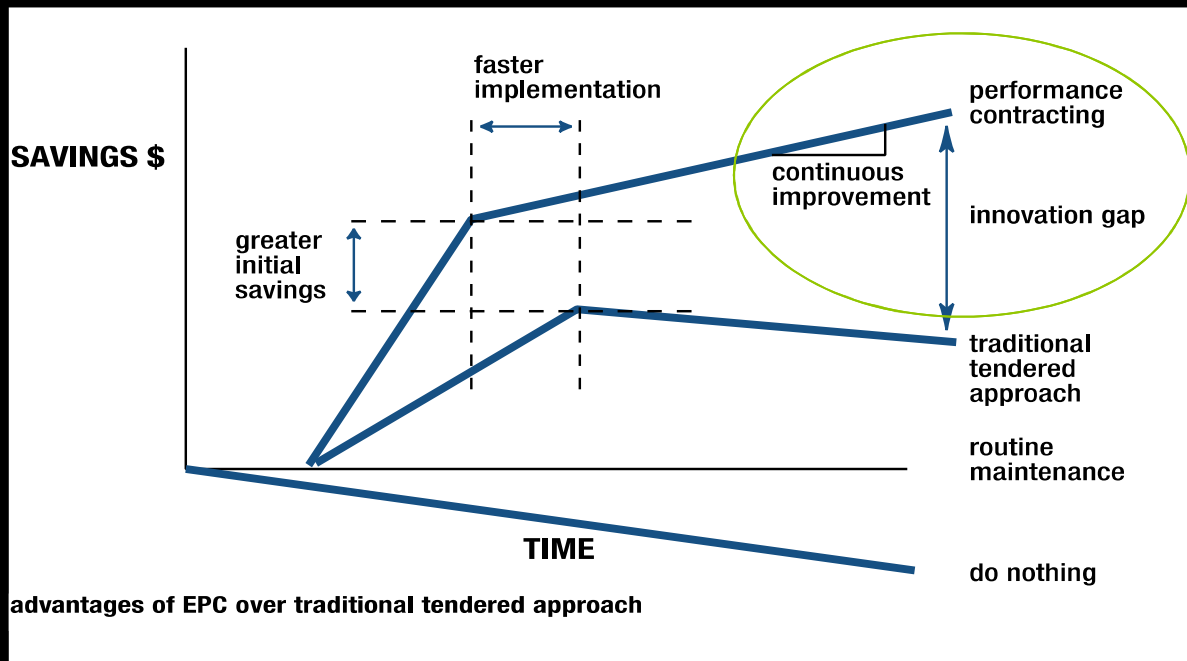
What is an Energy Performance Contract?

- An EPC is a Contract Between an Energy Services Provider and a Consumer to improve energy performance over a set period of time
- Energy Performance Contracting is a way of implementing energy efficiency projects on equipment (including street lighting)
- It provides a transparent way to manage technical and commercial risks, while guaranteeing outcomes and results
- EPC's also provide scope for Capital raising against energy savings annuities

Energy Performance Contracts



Energy Performance Contracts



Energy Performance Contracts

Key characteristics of an EPC are:

- Long term contract (5-10 years)
- Reduced operating costs through guaranteed performance outcomes
- Energy savings cash flow pays for capital investment of the upgrade
- Finances for any capital investment requirements are linked to opex savings

Energy Performance Contracts

Key components of an EPC are

- A technology provider who stands behind their product and service
- Access to robust **Measurement and Verification** services (See CMVP), Well defined baseline
- A high degree of trust between provider and customer



Energy Performance Contracts

Key benefits of an EPC are:

- value-based solution;
- reduction of operating costs;
- accountability over the term of the contract
- access to systems experts;
- risk management;
- potential access to capital;
- guaranteed performance; and
- Potential tax benefits

What is Happening to Support EPC's?

1. EMANZ has nearly completed a **Model Energy Performance Contract** and **Guide for Customers**
2. Due Out in **MAY**
3. Workshop on EPC's at **EMANZ Conference on 27-28 May**
4. EMANZ will establish criteria for EPC Qualifying Companies